

**NOTICE OF PROPOSED EXEMPT RULEMAKING**

**TITLE 9. HEALTH SERVICES**

**CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**

**CHILDREN'S HEALTH INSURANCE PROGRAM**

**PREAMBLE**

**1. Sections Affected**

**Rulemaking Action**

R9-31-1402

Amend

R9-31-1724

Amend

**2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. 36-2903.01

Implementing statute: A.R.S. 36-2903.01, amended by SB1004, Forty-ninth Legislature, First Special Session 2009

**3. The proposed effective date of the rules:**

May 1, 2009

**4. A list of all previous notices appearing in the *Register* addressing the proposed exempt rule:**

Notice of Public Information: 15 A.A.R. [(page #), (date) to be filled in by editor]

**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Mariaelena Ugarte

Address: AHCCCS

Office of Administrative and Legal Services

701 E. Jefferson, Mail Drop 6200

Phoenix, AZ 85034

Telephone: (602) 417-4693

Fax: (602) 253-9115

E-mail: AHCCCSrules@azahcccs.gov

**6. An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:**

As described in SB1004, Forty-ninth Legislature First Special Session of 2009, the monthly premiums must be charged up to the maximum amount allowed by federal law to all populations of eligible persons who may be

charged. The Administration is proposing changes in premiums to Kids Care eligible children and Kids Care eligible parents.

**7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

None

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable.

**9. The summary of the economic, small business, and consumer impact:**

The Administration estimates that approximately 25,089 children enrolled in Kids Care could be impacted by this change and 3,218 parents. The General Fund impact is estimated to be \$270,000 for FY09 (\$26,900 for Parents; \$243,100 for Children) and \$1,344,800 for FY10 (\$98,000 for Parents; \$1,246,800 for Children).

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

Not applicable.

**11. A summary of the comments made regarding the rule and the agency response to them:**

None have been received yet. The public hearing is scheduled for March 31, 2009 at 10:00 a.m. at:

Location: AHCCCS  
701 East Jefferson  
Phoenix, AZ 85034

Nature: Public Hearing

Location: ALTCS: Arizona Long-Term Care System  
1010 N. Finance Center Dr, Suite 201  
Tucson, AZ 85710

Nature: Public Hearing

Location: ALTCS: Arizona Long-Term Care System  
3480 East Route 66  
Flagstaff, AZ 86004

Nature: Public Hearing

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable.

**13. Incorporations by reference and their location in the rules:**

None.

**14. Was this rule previously made as an emergency rule? If so, please indicate the *Register* citation:**

No.

**15. The full text of the rules follows:**

**TITLE 9. HEALTH SERVICES**

**CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
CHILDREN'S HEALTH INSURANCE PROGRAM**

**ARTICLE 14. PREMIUMS FOR A CHILD DETERMINED ELIGIBLE UNDER ARTICLE 3**

Section

R9-31-1402. Premium Amount for a Member who is a Child Determined Eligible Under Article 3 of This Chapter

**ARTICLE 17. ELIGIBILITY, ENROLLMENT AND COST SHARING FOR A PARENT**

Section

R9-31-1724. Premium and Enrollment Fees

## **TITLE 9. HEALTH SERVICES**

### **CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**

#### **CHILDREN'S HEALTH INSURANCE PROGRAM**

##### **ARTICLE 14. PREMIUMS FOR A CHILD DETERMINED ELIGIBLE UNDER ARTICLE 3**

###### **R9-31-1402. Premium Amount for a Member who is a Child Determined Eligible Under Article 3 of This Chapter**

- A.** For the purposes of this Article, a premium is a monthly amount that an enrolled member pays to the Administration to remain eligible for Title XXI.
- B.** When the household income is greater than 100 percent of the FPL and less than or equal to 150 percent of the FPL, the monthly premium is \$10 for one eligible child and \$15 for two or more eligible children.
- C.** When household income is greater than 150 percent of the FPL and less than or equal to 175 percent of the FPL, the monthly premium payment is ~~\$20~~ \$40 for one eligible child and ~~\$30~~ \$60 for two or more eligible children.
- D.** When household income is greater than 175 percent of the FPL and less than or equal to 200 percent of the FPL, the monthly premium is ~~\$25~~ \$50 for one eligible child and ~~\$35~~ \$70 for two or more eligible children.
- E.** A household's premium payments as specified in this Section shall not exceed five percent of a household's gross income.
- F.** A member's newborn is enrolled immediately upon the Administration receiving notification of the child's birth. Upon enrollment, the household's premium is redetermined.
- G.** To remain eligible, the premium amount shall be paid according to this Article.
- H.** Native Americans are exempt from paying premiums.
- I.** When a premium is paid for a household including the parents of a child eligible under Article 3 as described in Article 17, no separate premium is charged for the child under this Section.

## **TITLE 9. HEALTH SERVICES**

### **CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**

#### **CHILDREN'S HEALTH INSURANCE PROGRAM**

#### **ARTICLE 17. ELIGIBILITY, ENROLLMENT AND COST SHARING FOR A PARENT**

##### **R9-31-1724. Premium and Enrollment Fees**

##### **A. For the purposes of this Article:**

1. A premium is a monthly payment that an enrolled member pays to the Administration to remain eligible.
2. An enrollment fee ~~is a payment equal to the amount of one month's premium~~ required by subsection (C)(4), which shall be paid to the Administration by a member who is a parent determined eligible under this Article. The enrollment fee and the first month's premium will be billed and due concurrently with the first month's payment.
3. To remain eligible, a parent shall pay the premium amount and enrollment fee according to this Article.

##### **B. Premiums**

1. When countable income is equal to or greater than 100 percent but less than 150 percent of the FPL, the monthly premium for the family is three percent of the countable income.
2. When countable income is equal to or greater than 150 percent but less than 175 percent of the FPL, the monthly premium for the family is ~~four~~ five percent of the countable income.
3. When countable income is equal to or greater than 175 percent but less than or equal to 200 percent of the FPL, the monthly premium for the family is five percent of the countable income.
4. Native Americans are exempt from paying premiums.
5. When a premium is paid for a household including the parents of a child eligible under Article 3 as described in Article 17, no separate premium is charged for the child under this Section.

##### **C. Enrollment Fees**

1. A parent enrolled on or after January 1, 2005 will be charged an enrollment fee.
  - a. If a parent who has paid the enrollment fee does not receive coverage under this Article for a period of at least 24 months, the parent will be charged another enrollment fee if the parent is approved again under this Article.
  - b. If a parent who has paid the enrollment fee is discontinued under this Article for a period of less than 24 months, the parent will not be charged an enrollment fee when the parent is approved again.
2. A parent who was enrolled before January 1, 2005 will not be charged an enrollment fee unless the parent is discontinued under this Article and approved again.
3. Native Americans are exempt from paying the enrollment fee.
4. The enrollment fee amount:

- a. For each eligible parent is \$15 when countable income is less than or equal to 150 percent of the FPL.
- b. For each eligible parent is \$20 when countable income is greater than 150 percent of the FPL and less than or equal to 175 percent of the FPL.
- c. For each eligible parent is \$25 when countable income is greater than 175 percent of the FPL and less than or equal to 200 percent of the FPL.